The decision in respect of the revival of Barauni and Durgapur Units of HFC and Sindri, Ramagundam and Talcher Units of FCI is yet to be taken. The eventual decision on the scope of the revamp of the functional units of HFC and FCI, which should be subject to the approval of the Board for Industrial and Financial Reconstruction (BIFR), would inter-alia take into account the considerations of unit-wise viability and tie-up of the funding arrangements.

Expansion of the Paradeep Phosphate Limited

332. SHRI VIRENDRA KATARIA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether there is any proposal for the expansion of the plant of Paradeep Phosphate Limited at Paradeep, if so, when it will start; and

(b) whether there is any proposal for diversification in the Paradeep Phosphate Limited plant by inducting urea unit to make it more balanced and profitable, if so, the details thereof?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI M. ARUNACHALAM): (a) No, proposal has been submitted to the Government by Paradeep Phosphate Limited (PPL) for expansion/diversification of its plants at Paradeep.

(b) PPL has considered some options for setting up ammonia-urea plants. No final view has, however, been taken by the Board of Directors of PPL in this regard.

Status of Durgapur Fertilizer Unit

333. SHRI ASHOK MITRA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the reasons for the decison to shut down the Durgapur unit of the Fertilizer Corporation of India;

(b) the annual loss of production because of the forced closure of the unit and the cost of additional import of fertilizers to make up for the resulting loss of fertilizer supply; and

(c) the estimated additional outlay of foreign exchange on account of the official decision?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI M. ARUNACHALAM): (a) The production operations at Durgapur unit of Hindustan Fertilizer Corporation (HFC) have temporarily been suspended by the mangement of the company on account of frequent equipment problems, the resolution of which would necessitate a substantial capital investment.

(b) and (c) A production target of 50,000 MT of urea was fixed for 1997-98 for the Durgapur Unit. Before the production operations were suspended, the Durgapur Unit had produced 3225 MT of urea.

The weighted average C&F price of imported urea during the period April-October 1997 has been US$ 162.59 per MT. If the production shortfall of Durgapur unit is made up by imports at this price, the additional foreign exchange outgo will be US$ 7.61 million. There will, however, be a substantial overall saving as the cost of production at HFC Durgapur is much higher than the retention price of Rs. 10,478 per MT on account of low capacity utilisation.

Delay in the Mega Indo-Oman Fertilizer Project

334. SHRIMATI JAYAPRADA NAHATA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that the mega Indo-Oman Fertilizer Project is getting delayed due to the Ministers directive for fresh evaluation of bids; and

(b) if so, the facts of the case and any how much time the project is likely to be delayed as a result of reassessment of the bids?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI M. ARUNACHALAM): (a) No, Sir.

(b) Does not arise.

Issues relating to European Consortium proposal of a soft loan

335. SHRI VEDPRAKASH P. GOYAL: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government have accorded 'in principle' sanction to a European consortium proposal of a soft loan to meet revamping cost of Barauni, Durgapur and Namrup Units of Hindustan Fertilizer Corporation Limited;

(b) if so, whether the consortium has started preliminary work as offered by them;

(c) whether the consortium submitted DPR and have tenders been issued;

(d) if Government have not guaranteed the loan, what are the plans of Government to revamp the three units of H.F.C.L.; and

(e) whether any Central assistance has been given to any of the three units, if so, the details thereof?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI M. ARUNACHALAM): (a) No, Sir.

(b) to (c) Do not arise.

(d) The revival package in respect of the Namrup Units of Hindustan Fertilizer Corporation Limited (HFC) has been approved by the Government on 1.10.97. The eventual decision in respect of the Barauni and Durgapur Units of HFC, which will be subject to the approval of the Board for Industrial and Financial Reconstruction, would, inter-alia, take into account the considerations of unit-wise viability and tie-up of the funding arrangements.

(e) Within the constraints of budgetary resources Government has been funding the cash losses of HFC to enable it to meet its operational requirements and providing the funds for essential replacement/renewals. During the current financial year, a budgetary support of Rs. 184.34 crore has been earmarked for the company. Out of this, an amount of Rs. 104 crore has already been released.

Policy relating supporting Pharmaceutical Units

336. SHRI RAMDAS AGARWAL: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government have formulated any specific policy frame work to support over 8,000 pharmaceutical units in the country, as appeared in the 'Hindustan Times' dated 24th October, 1997;

(b) whether Government propose to increase the investment limit for small scale sector as well as support them in acquiring latest technologies so as to fulfil their need for quality and price competitiveness in the context of globalisation; and

(c) whether Government have also consulted National Pharmaceutical Pricing Authority (NPPA), Bureau of Industrial Costs and Prices (BICP), experts from Pharmaceutical Industry and SSI's Units before finalsation of the above mentioned policy if so, what are the details thereof?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI M. ARUNACHALAM): (a) to (c) There is no fresh proposal for any specific policy frame work to support pharmaceutical Units. The existing policy frame work is as given in the "Modifications in the Drug Policy, 1986" announced in September, 1994, which, *inter-alia* provides for almost complete delicensing of manufacturing activity under I(D&R) Act, and simplified pricing policy. Manufacturing units operating in Small Scale Sector are exempt from obtaining price approval for price-controlled formulations. However, they have to follow ceiling prices, if any, fixed by the Govt. The subject matter of fixing the ceiling for investment limit for Small Scale Units, including Pharmeeuti-